

## Message Text

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ACTION ARA-10

INFO OCT-01 EA-06 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 H-01 L-02

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03

LAB-04 SIL-01 PA-01 PRS-01 USIA-06 FEA-01 AGR-05

FTC-01 /094 W

----- 096988

R 301606Z JAN 75

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC 7337

INFO AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: ETRD, EFIN, TD

SUBJ: EXPORT FINANCING FOR TRINIDAD INDUSTRIALIZATION PROJECTS

REF: POS 2941, DEC 19, 1974; POS 2455, OCT 15, 1974

ALSO FOR COMMERCE AND EXIMBANK

SUMMARY

I WOULD LIKE ONCE AGAIN TO DRAW THE ATTENTION OF THE DEPARTMENTS OF STATE AND COMMERCE, AS WELL AS THE EXPORT-IMPORT BANK OF THE U.S., TO THE PRESSING NEED FOR RAPID AND FAVORABLE CONSIDERATION OF REQUESTS FOR EXPORT FINANCING FOR PLANT AND EQUIPMENT FOR TRINIDAD'S PLANNED MULTI-MILLION DOLLAR INDUSTRIALIZATION PROGRAM, IF U.S. EXPORTERS ARE TO GET THEIR FAIR SHARE IN THIS MARKET. THE LACK OF U.S. EXPORT FINANCING IS ALSO LIKELY TO DAMAGE AMERICAN FIRMS' ABILITY TO SUPPLY ENGINEERING, DESIGN AND CONSTRUCTION SERVICES FOR THESE INDUSTRIAL PLANTS. END SUMMARY.

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1. I RECENTLY MET WITH THE VICE PRESIDENT AND OTHER OFFICIALS

OF KAISER CHEMICALS, WHO HAD SPENT TWO WEEKS IN TRINIDAD WORKING WITH SENIOR GOTT OFFICIALS TO PLAN A JOINT-VENTURE FERTILIZER PLANT INVOLVING INVESTMENT OF SOME \$150 MILLION. KAISER OFFICIALS TOLD ME THAT THEY EXPECT TO PURCHASE MAJOR PART OF THE EQUIPMENT FOR THIS PLANT FROM JAPAN, BECAUSE THEY APPARENTLY HAVE BEEN REBUFFED BY THE U.S. EXIMBANK WHEN THEY REQUESTED EXPORT FINANCING.

2. ONE OF THE GOTT'S MOST KNOWLEDGEABLE SENIOR CIVIL SERVANTS RECENTLY TOLD ONE OF MY EMBASSY OFFICERS THAT LACK OF US EXPORT CREDITS FOR NEW PLANTS IN TRINIDAD WILL SEVERELY LIMIT US PARTICIPATION IN ALL ASPECTS OF THIS INDUSTRIALIZATION PROCESS. HE POINTED OUT THAT SELECTION OF DESIGN, CONSULTANT, ENGINEERING AND CONSTRUCTION SERVICES WILL BE STRONGLY INFLUENCED BY THE SUPPLIER OF FINANCING AND EQUIPMENT FOR THESE PROJECTS. HE ALSO LAMENTED EXIM'S APPARENT DECISION TO FOREGO OFFERING GUARANTEES ON THE PRIVATELY FINANCED PORTION OF TRANSACTIONS, SAYING THAT AN EXIM GUARANTEE WILL SAVE FROM ONE-HALF TO THREE-QUARTERS OF ONE PERCENT ON THE INTEREST RATE DEMANDED FOR FINANCING FROM OTHER SOURCES.

3. AS POINTED OUT IN REF (A), THE TRINIDAD GOVERNMENT IS ACTIVELY SEEKING JAPANESE EXPORT FINANCING FOR LOCAL INDUSTRIAL PROJECTS. PRIME MINISTER WILLIAMS IS AT THIS MOMENT ON HIS SECOND TRIP TO JAPAN, THIS TIME ACCOMPANIED BY HIS MINISTER OF FINANCE, AND THEY SURELY HOPE TO OBTAIN SOME FINANCIAL COMMITMENTS FROM THE JAPANESE. MY TALKS WITH THE KAISER OFFICIALS SHOWED THAT THEY WERE ONLY TOO WILLING TO LET THE TRINIDAD GOVERNMENT ARRANGE FINANCING AND CHOOSE A JAPANESE SUPPLIER, ONCE KAISER HAD BEEN TURNED DOWN BY THE U.S. EXIMBANK. WHILE I SYMPATHIZE WITH THE CONGRESSIONAL CONSIDERATIONS WHICH HAVE FORCED EXIM TO ALTER SOME OF ITS POLICIES, U.S. EXPORTERS TO TRINIDAD WILL BE SEVERELY HURT BY THESE CHANGES, SINCE MUCH OF THE PLANT AND EQUIPMENT NEEDED BY TRINIDAD IS READILY AVAILABLE FROM OTHER SOURCES.

MILLER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, EXPORTS, DEVELOPMENT PROGRAMS, INDUSTRIAL PLANTS, JOINT VENTURES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 JAN 1975  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Subject:** EXPORT FINANCING FOR TRINIDAD INDUSTRIALIZATION PROJECTS  
**TAGS:** ETRD, EFIN, TD, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006